

**INTERURBAN "YAE" TAXI SERVICE**  
 SERVICE TO MIGDAL ANCALON  
 HAS BEEN EXTENDED TILL  
**ASCALON (AFRIDAN)**

TUESDAY  
 MAY 23, 1954

# THE JERUSALEM POST

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**CONSOLIDATED ASSETS  
 EXCEED 75 MILLION POUNDS**  
 24 BRANCHES  
 THROUGHOUT THE COUNTRY  
*The Service*  
**THE PALESTINE DISCOUNT BANK LTD.**

## Marginal Column

By NORA BLOFF

THE strained and rumour-ridden atmosphere of the Geneva conference is ideally suited to surreptitious mutual criticism. Almost as soon as it began, Mr. Eden was being lauded to be able to Europeans and Asians — Communists included — as a peace-maker and mediator. Simultaneously, he was being criticised by American delegates and some American journalists as a "turn-coat" and "appeaser." In return, the British were no less impatient and irritated by what seemed like the rigidities of the American position. They ridiculed the apparent contradiction involved in agreeing to come to Geneva and meet the Communists, while at the same time refusing to shake hands with them. They knew, of course, that it was politically impossible for the Americans in Geneva to recognize Communist China, but they could not help reflecting all the time how much easier it would be for every one if they would.

AFTER the first week, the initial bitterness was off. Mr. Dulles' reputation by Mr. Smith seemed to open the way to better times: the new American delegate had long diplomatic experience and showed what the British felt to be "astonishing forbearance" in shrugging off with a few words the crude anti-American tirades of the Communists, which had been chosen to return in kind, could have bogged down the conference altogether. But within the past week there has been a new phase. Anglo-American rifts are arising when Mr. Eden learned of bilateral Franco-American talks going on in Washington to discuss the possibility of negotiating a cease-fire in Indo-China. The British could help France if negotiations broke down. After paying unqualified calls first on Mr. Bidault and then on Mr. Molotov, the British have taken this new move publicly took the form of a French inquiry, it was in fact prompted, if not solicited, by the Americans themselves. Mr. Eden, who has assured Mr. Eden that they were improving the chances of obtaining a conciliatory attitude from the Communists in Geneva by suspending over their heads a sword of Damocles in the form of the threat of American intervention. Mr. Eden was not necessary opposed to keeping the other side guessing, but he did not like his friends to keep him guessing, too.

PROBABLY the British delegation has less to fear from the Washington-Paris talks than from the private negotiations going on in and around Geneva between the Americans and the Vietnamese Nationalist Government. The French delegates probably do believe that an armistice at the present time would be followed by the Communists taking the whole of Indo-China and "re-arranging" it to their liking. But pressure for peace from French public opinion is so great that the risk of later being reproached with having torpedoed Mr. Eden's peace efforts. On the other hand, the British have recognized the Vietnamese Nationalist Government as the legitimate government of Indo-China, and neither of them can disregard his wishes or intentions. But whereas the British believe that the Communist leader Ho Chi Minh has been thrown up by an indigenous revolution and has his people's support, the Americans see his success as proof of Communist external aggression and — on President Eisenhower's principle of getting Asians to fight Asians — are still clinging to the hope that his own people will throw him out.

BUT the Anglo-American differences on these points are far from amounting to the final and irrevocable breach for which the Communists seem to hope. The responsible American leaders have so far never severed from the Americans the hope that they will not intervene in Indo-China except under collective security arrangements which presumably means not without British aid. And the British, although much less perturbed than the Americans about Communist China, and much less convinced of her inherent aggressive intentions, are by no means sure enough to feel that they can dispense with American political and military cooperation in South-East Asia. In the last resort, neither side is really ready to "go it alone."

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## Increase in Bread Price Not Needed, Gov't Advised

Jerusalem Post Reporter

The Economic Advisory Staff recommended to the Ministry of Commerce and Industry not to raise bread prices, it was learned in Jerusalem yesterday. A memorandum from the staff states that efficient bakeries are able to make profits under the present circumstances. The Ministry is not bound to accept the Economic Advisory Staff's recommendations. Increased mechanization of "inefficient" bakeries is proposed, and it is pointed out that although bakeries operating with outmoded methods may suffer from the recommendation not to raise prices, this is not the Government's responsibility. The report was drawn up on the basis of replies from the bakers to a questionnaire on their plants and operations. Less than half of the nation's bakers sent replies. The Ministry of Commerce has, in the past few months, granted two interim price increases to bakers, in the expectation that a price increase would be effected.

## Doctors Press On With Strike Plans

Jerusalem Post Reporter

TEL AVIV, Monday. — Despite all the discussion and efforts at mediation to end the threat of an indefinite strike of employed physicians, the Emergency Strike Committee of the Israel Medical Association met here this evening to plan the work stoppage which is scheduled to begin on June 1. A national conference of Kupa Holim doctors met here to discuss the strike. The conference decided to ask the Histadrut to reinstate the 30 ousted members of the Kupa Holim's executive. Disciplinary measures in the face of great pressure by the Histadrut not to continue the strike, the Kupa Holim physicians decided to discipline any of their doctors who do not abide by the majority's decisions in the event of a new strike. The was meant especially for those Kupa Holim doctors who are members of the separate Histadrut-sponsored doctors' organizations, while the night decided its opposition to a new strike. Nevertheless, it is understood that both the Medical Association and the Kupa Holim doctors are ready to negotiate a settlement of the salary dispute, rather than resort again to strike action.

## INCOME TAX CHIEF QUILTS

Mr. Ben-Zion Argov, the Income Tax Commissioner, has handed in his resignation to the Finance Minister, who has not as yet accepted it and is attempting to persuade Mr. Argov to remain in his post.

Informal sources point to the recent appointment of Mr. Zeev Sharaf as Director of State Revenue as one of the causes of Mr. Argov's resignation. Mr. Argov is reported to feel that this appointment severely limits his activities. On the other hand, Mr. Argov was recently named Director of Direct Tax Administration.

## Barkat Named To Socialist Committee

KALAW, Burma, Monday (Reuters). — Mr. Reuben Barkat, of the Israel Labor Party, has been named to the Coordinating Committee of the Asian Socialist Conference which met here today, prior to tomorrow's opening of the full conference.

The Burmese Minister of Trade and Industry, U Kyaw Nyein, who was in the chair, told the committee that the Soviet form of colonialism was more dangerous than the old imperialism.

The conference was originally to have been held in London, but was transferred to Burma because of the Indonesian Government's refusal to issue visas to the Israeli delegates. This decision was condemned both by the Indonesian Socialist party and the Moslem "Masjumi" Party.

## Cattle Rustlers Seized In Cops and Robbers Chase

TEL AVIV, Monday. — Four cattle rustlers were arrested last night after a dramatic "cops and robbers" chase.

A mobile police patrol car on the Security Road was alerted at midnight to follow two cars believed to contain

## Arrest of Zionists Protested by Knesset

Jerusalem Post Knesset Reporter

The Knesset yesterday in a formal vote protested against the sentences imposed on Rumanian Zionist leaders, and Prime Minister Sharett said that the Israel Government would do whatever was in its power to help these people. Mr. Sharett said that the persons who are now imprisoned had been our comrades in the political and educational struggle, and that the Government had evidence that they had been persecuted solely because of their loyalty to Zionism and the principle of immigration.

## 48 Begin Indefinite 'Rumanian' Fast

Jerusalem Post Reporter

TEL AVIV, Monday. — The first 24 hours of fast passed quietly and without any harmful effect on the 48 former leaders of Rumanian Zionism who are on an indefinite hunger protest in the wedding hall of the Great Synagogue here against the imprisonment of Zionist leaders in Rumania. The Government is convinced, on the basis of information received here, that the Zionist leaders in no way harmed the Rumanian regime, and had no intention of harming it. The Government will continue to concern itself with this injustice, will continue to demand the release of the Zionist prisoners, and that they be permitted to come to Israel, just as it will continue to demand the right of every Jew to immigrate to Israel if he desires to do so.

## Discussion Undesirable

In view of the seriousness of the matter he asked that there should be no general discussion, but that the Government should be considered in the Foreign Affairs and Security Committee.

A spokesman told the Jerusalem Post that the protest had already aroused much comment abroad and that the fast would perhaps end when its moral effect on the world was noticeable.

## Names Read Out

Among the demonstrators are Rabbi Dov Ben-Zion, the former Chief Rabbi of Moldavia, Rumania, who is accompanied by his son Ya'acov, a journalist. This morning, Rabbi Ben-Zion read out the names of 48 Rumanian Jews after the establishment of the State, and had now arrested the men with whom they had cooperated, asked that the Government should seriously consider the value of official diplomatic relations with Rumania.

Mr. Eli Avraham, of Kiryat Haim, today ended his special 24-hour fast. His participation had been forbidden by Dr. Y. Abeles, who is in medical charge of the 48 demonstrators and is fasting with them.

The others include Dr. S. Koshavi, a former head of the Zionist movement in Rumania; Dr. S. Zinger, a former member of the Rumanian Parliament; and Mr. Y. Leron, Press Officer of the Ministry of Finance.

## Power Law Passes First Reading

Jerusalem Post Knesset Reporter

The new Electricity Law, which provides for closer control of the means of electricity production, and also of the qualifications of working electricians, passed its first reading in the Knesset yesterday.

The draft law was introduced by Dr. Dov Joseph, the Minister of Development, who pointed out that it had been based on the recommendations of a public committee set up as long ago as 1950 to study regulations.

Despite this, the law was sharply attacked from all parts of the floor. Mr. A. Govrin (Mapai) suggested that the supervision of electricity installations was properly the business of the Ministry of Labour, which deals with similar problems in other branches of skilled work. Dr. M. Shohat (Labor Faction), going a good deal further, objected that the new law would give the Government "absolute power" over electric workers. He claimed that labour standards and trade qualifications should be left to the trade union.

Mr. M. Kelmner (Hapoel Ha-mizrahi) protested that it was unreasonable to expect Israel's immigrant population to be able to produce acceptable evidence of training as electricians, and said that this part of the law might cause people who had found work after many difficulties to lose their employment, and suggested that the entire clause be removed. Both Dr. E. Avriel (Herut) and Mr. H. Rubin (Mapam) objected that the law provided the Government with further opportunities of excessive intervention. Both also claimed that the draft entitled the Government to inspect any electric appliance, apparently under domestic refrigerators, whenever it wished to do so, a suggestion that was most indignantly refuted by the Minister, who said that such charges would not be raised in the Knesset.

(Continued on Page 3 Col. 3)

## US Airlifts Arms To Nicaragua And Honduras

WASHINGTON, Monday (Reuters). — The State Department announced today that the United States was air-lifting military equipment to Nicaragua and Honduras.

The State Department Press Officer, Mr. Lincoln White, told reporters that the U.S. arms deliveries were being speeded up because of the delivery, within the last 24 hours, of arms to Guatemala from behind the Iron Curtain. The shipment of arms to Guatemala has been estimated at about 2,000 tons.

The United States is implementing the mutual defense assistance programme signed with Nicaragua and Honduras, making an initial shipment of military equipment to both these countries by air, Mr. White said.

Earlier, the State Department had reported that the U.S. had heard rumors that two additional ships were en route to Guatemala with arms loaded at Iron Curtain ports.

## Patrol Fired On Near Lydda

An Israel Army training unit was fired on at 10 a.m. yesterday near the Israel-Jordan Armistice lines in the vicinity of Rantia, near Lydda, the Army spokesman has announced. Machine-gun and rifle fire came from across the lines. No member of the unit was injured.

The Jordan Press Bureau said yesterday, according to Reuters, that an Israeli soldier was killed when an Arab platoon crossed the border and opened heavy fire on an Arab Legion observation post which returned the fire.

## Syria Asks Bennike To Convene MAC

DAMASCUS, Monday (Reuters). — Syria has asked for a meeting of the Syria-Israel Armistice Commission which has not met since April 30 despite its stated urgent matters for consideration.

Syria, it is further learned, considers that a reply received here yesterday from General Hagan Bennike, Chief of the U.N. Truce Supervision Organization, does not directly answer the point raised by Syria concerning the jurisdiction of the Mixed Arab-Jewish Commission in the demilitarized zone.

Syria today sent a new memorandum pointing to the "contingency" in the attitude adopted by the heads of the various Mixed Armistice Commissions.

## Rosenberg Demands Probe of Charges

Jerusalem Post Knesset Reporter

Following hard on the heels of the Attorney General's charges against Mr. S. Lorrain, Aguda Israel Knesset Member, Abraham Shohat, Minister of Education, today demanded a probe of the charges against Mr. Rosenberg (Mizrahi) Deputy Minister of Social Welfare, to the Knesset yesterday in connection with similar charges recently being prepared against him.

Mr. Rosenberg said that he wished to bring a charge of criminal libel against the evening newspaper "Yedioth Aharnoth," which had reported that the Attorney General had indicted Rosenberg for a crime which he had not committed. He also demanded that the Attorney General should immediately carry out a full investigation into the charges, and stated that he was willing to waive his immunity as a Member of the Knesset if a full investigation was conducted. He also asked to be relieved of his Cabinet duties until the matter was cleared up.

## Generalov Returns

LONDON, Monday (Reuters). — The former Soviet Ambassador to Australia, Mr. Nikolai Generalov, and his staff, left London by air for Brussels today on their way back to Moscow.

The Soviet Party arrived in Britain two days ago, following the severance of diplomatic relations between the Soviet Union and Australia as a result of the "Petrov affair."

## McCarthyism On Way Out

"McCarthyism is a passing phase," the crowd has shouted today at the University of California (Los Angeles) as members of the Israel-American Friendship League at a meeting in Jerusalem last night in the Beit Hachofetz, waved of hysteria which had led to the dismissal of 100 university professors and a great many teachers would be included in the new clause which would apply to France and Italy only, who have not signed the E.D.C. treaty. It would not affect U.S. aid to the French in Indo-China, which is about nine times the amount France receives for her European defence needs.

## Stevens, McCarthy Clash As Hearings are Resumed

WASHINGTON, Monday (Reuters). — The United States Secretary of the Army Mr. Robert Stevens, and Senator Joseph McCarthy clashed almost immediately the McCarthy-Army investigations re-opened in Washington today after a one-week recess.

Mr. Stevens was closely questioned about the Army's charges that Mr. McCarthy had been a spy for the Soviet Union. Mr. McCarthy declared, "This is no laughing matter. You cannot cover up for anyone by accepting the responsibility."

There is not anyone to cover up for," Mr. Stevens answered. The recess followed the banning by President Eisenhower of witnesses against McCarthy on January 21 attended by

## East, West Agree to Begin Indo-China Armistice Talks

Secret Session 'Encouraging'

GENEVA, Monday. — East and West agreed today to begin negotiations on the general military aspects of a cease-fire in Indo-China. The decision was taken at another restricted session of the nine-nation Indo-China conference which lasted for more than four hours and is to be continued tomorrow.

## Dien Bien Phu Nurse Freed

HANOI, Monday. — Mlle. Genevieve de Gallard, the French Air Force nurse who was the only woman at Dien Bien Phu, arrived in Hanoi today, after being released by the Vietnamese rebels. Mlle. de Gallard was flown in together with a group of wounded evacuated from the fallen fortress.

A total of 481 wounded have so far been freed and the evacuation of the remaining 437 men was expected to be completed within a few days. The rebels, meanwhile, have lodged another protest against the French bombing of the vital Highway 41 leading from Dien Bien Phu towards Hanoi. French planes today bombed rebel concentrations in the Red River Delta.

On the ground, fierce clashes are reported from the Gulf of Tonkin where a rebel force is besieging the fortress of Yen Phay on the western edge of the French perimeter around the delta. On the other hand, the rebels have abandoned the siege of Namtha, an outpost not far from the border between Laos and China, about 50 miles west of Luang Prabang. The post was defended by a garrison of Laotian forces. (U.P. Reuters)

## Cabinet Tells Eden To Prevent Split with US

LONDON, Monday. — The Cabinet instructed the Foreign Secretary, Mr. Anthony Eden, to continue for a little longer Britain's "wait and see" policy at Geneva, but to stop short of a serious split with the U.S.

Before his return to Geneva, Mr. Eden attended a final Cabinet meeting at No. 10 Downing Street this morning to lay down Britain's policy for the next sessions of the Conference. According to informed sources, the Cabinet instructed Mr. Eden to carry on his efforts to negotiate with the Communists to arrange at least a cease-fire in Indo-China, but to avoid a serious split with the U.S. Mr. Eden was also instructed to make it clear to the opposing side that the talks could not be allowed to degenerate into an endless squabble while the Communists' advances went on unchecked on the battlefield.

## 10 Get Through From Dien Bien Phu

HANOI, Monday (U.P.). — Another five French Union soldiers, who managed to escape from Dien Bien Phu, reached a French outpost in Laos yesterday. The escape brings to ten the number of soldiers who escaped captivity when the bastion fell.

All of them were local Thai Lue, whose nationality enabled them to slip through the Vietnamese lines. Two of the latest group came from the outpost of Namtha, and the remainder from the main fortress.

## US Not Pressing Paris for Command

WASHINGTON, Monday (U.P.). — The State Department today denied today reports that the United States is pressing the French to hand over command of the American commander to head the armed forces in Indo-China before intervening with aid.

The Department spokesman, Mr. Lincoln White, told a news conference that the current talks in Paris between United States and French officials on the Indo-China situation are "mainly political" and that the reported proposal for an American military commander was outside its scope. "It is my understanding that the United States has set forth its position on this subject," he said. "The Department is under no obligation to answer questions on this subject."

## Europe Told to Join EDC for US Aid

WASHINGTON, Monday (U.P.). — Government officials said today that the Administration would not amend the 1955 Foreign Aid Bill which would deny NATO funds to any of the six European countries which have failed to ratify the E.D.C. treaty.

They understood that these funds would be used to amend the 1955 Foreign Aid Bill which would deny NATO funds to any of the six European countries which have failed to ratify the E.D.C. treaty. They understood that these funds would be used to amend the 1955 Foreign Aid Bill which would deny NATO funds to any of the six European countries which have failed to ratify the E.D.C. treaty.

## India Pleads For Indo-China Cease-Fire

OBLU, India (Reuters). — An Indian resolution asking for an unconditional cease-fire in Indo-China was tabled today in the Rajya Sabha of the Indian Parliament. The resolution was introduced by Mr. B. K. Chatterjee, a member of the Rajya Sabha.

The resolution, which was passed by a majority of 100 to 50, called for an immediate and unconditional cease-fire in Indo-China, and for the withdrawal of all foreign troops from Indo-China. It also called for the release of all prisoners of war and for the return of all refugees.

## Monty Sees Use Of A-Weapons in War

PARIS, Monday (Reuters). — The Deputy Supreme Allied Commander in Europe, Field Marshal Viscount Montgomery, said here today that in the event of war he believed both sides would use atomic weapons. He told SHAF's correspondents, "My opinion is that the fear of atomic weapons is a powerful deterrent to war, but as far as we can see today, war has started both sides are likely to use them."

**GENERAL FEDERATION OF JEWISH LABOUR IN ISRAEL (HISTADRUT)**  
 The Jewish Tourist Department  
 Guide and visitors from abroad are cordially invited to our  
 "Open House" for Tourists  
 which will take place today, May 23, at 2.30 p.m., at the  
 Histadrut Executive Building, 20 Rehov Arlozoroff,  
 Tel Aviv.  
 Bus connections: No. 22, 23, 24.  
 Your questions answered

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# Today's Post Bag

## THE WEATHER

	Jerusalem	Tel Aviv	Haifa	Be'er Sheva
Max	27	28	29	30
Min	17	18	19	20
Wind	SE 10-15	SE 10-15	SE 10-15	SE 10-15
Clouds	2-3	2-3	2-3	2-3

**FORECAST:** The weather will continue to be clear and sunny with a high of 27 and a low of 17. Wind from the south-east at 10-15 m.p.h. Clouds 2-3.

**SWEEPSTAKES:** Mrs. Rachel Ben-Zvi to the Ashdod Kindergarten with a note of thanks for the fine reception given to the President and to her during their recent visit.

**THE MINISTRY OF Social Welfare:** has advised the Ministry of the Interior to establish a carpentry shop to employ 20 elderly persons who are unable to work in a workshop which is now closed.

**MARABUTS PENETRATED** into Kibbutz Haterim in the Negev on Sunday night and stole \$1,500 worth of equipment. On the same night, 100 marabuts stole irrigation pipes valued at \$1,500 from the Beer farm in the Negev. Tracks led towards the Gaza Strip.

**Election Officer Guides Nazareth Council:** The Nazareth Council, under the guidance of Mr. Moshe Rouah, District Election Officer, has convened the newly elected Municipal Council for its first meeting as soon as the election results are gazetted.

According to the procedure in such circumstances, the Council will conduct the meetings of the Council until a new Mayor is elected.

Tomorrow, the nine Councilors will hold an informal meeting to propose candidates for Mayor and Deputy Mayor.

**Smuggling Ring Suspect Held:** LYDIA AIRPORT, Monday — A secret code, smuggled diamonds and clothing including a valuable fur coat, were found upon a "returning emigrant" here last night, after he had stated that he had nothing to declare.

The man, aged about 37, who had arrived from New York, aroused the suspicions of plain-clothes customs officers at the airport here, and his luggage was checked again after he had stated that he had no dutiable goods. The plain-clothes officers hid away under layers of old clothing, while two diamonds, worth about \$1,000, were hidden in a metal case.

The code found on the man led the police to believe that he is connected with a smuggling ring, and he was taken to police headquarters in Tel Aviv for questioning.

**Ruth Hachoen To Return For Trial:** JERUSALEM, Monday — Ruth Hachoen, who is in an American prison for smuggling over \$100,000 worth of cut diamonds from Israel, is to be returned to face trial here by the end of this month or the beginning of June, it was reliably learned today.

With the arrival of Mrs. Hachoen, it is understood that police will renew the investigation of a diamond smuggling ring alleged to consist of many of her relatives.

**WINE WORKERS LOCKED OUT:** HADERA, Monday — Workers in the Zikhron Ya'akov distillery, who have been dismissed for Sabbath violations, reported back to work today but were refused admission despite a request reached last week that they would be reinstated.

It is believed that the management had changed its mind due to pressure from the Rabbinates.

**ELECTRICITY** (Continued from Page 1) set if members would take the trouble to read draft laws all the way through. He said that both electricity manufactured entirely for the manufacturer's own use and appliances using current provided by the general network were specifically exempted from control and supervision.

The law was returned to the Economic Committee for further study.

**1,600 Work Accidents:** The new Labour Law, providing for an elaborate system of the control of safety and hygiene provisions in places of work, was presented to the Knesset by the Minister of Labour, Mrs. Golda Myerson, yesterday. Mrs. Myerson emphasized that laws of this type were of little use to enforce regulations governing their health and safety, she declared.

She is due to sum up the debate that followed the presentation of the law today.

**RATION NEWS:** JERUSALEM, 9 cents per person. Tel Aviv, 10 cents per person. Haifa, 11 cents per person. Be'er Sheva, 12 cents per person.

# Jewish Birthrate Double Immigration

Jerusalem Post Reporter

"Internal immigration" was double the rate of influx from abroad during the past two years, bringing the Jewish population of Israel to within 1,500,000, Mr. N. Shya, head of the Immigration Department of the Ministry of Interior, told the Press yesterday. The Jewish birthrate is about 30,000 a year, whereas only 11,800 immigrants arrived in 1953 and 3,000 arrived from January to the end of May, 1954. Prospects for immigration indicate that 1954 is unlikely to reach the previous year's total.

Non-Jewish citizens number 188,000, including about 13,000 Beduin in the Negev. A census of the tribes was recently carried out for the first time since the Mandate. In the Jewish population, there are 26,000 more boys, 146,000 females. Owing to the high proportion of children (below 15 years) in the more recent groups of immigrants, the proportion of young people in the whole nation is better than that of many Western countries. On the other hand, the percentage of old and incapacitated persons dependent on public welfare is higher than in the West.

North Africa (mainly Algeria) continues to supply the bulk of new immigration. Last year, immigrants came from 60 countries and Western Europe combined providing only 1,013 persons.

**Peak in 1952:** Emigration reached its peak in 1952, when 12,200 persons left Israel, Mr. Shya quoted figures to show that fewer people left Israel as declared emigrants this year than last. Even taking into account the more accurate number of departures over arrivals, it appears that in the last four months, 3,500 more persons left the country than entered. In the corresponding months of 1953, 3,200 more people left than arrived.

The Ministry of Interior has devoted considerable attention to the problem of emigration, and in particular to the phenomenon of emigration to Rumania. During the past six months, since organized "repatriation" of Jews from Rumania, 223 persons have been given to former Rumanians. But North Africa, the U.S. and Canada have been countries taking Jews.

A questionnaire drawn up by the Ministry and presented to 227 applicants, which was during January disclosed that family or other personal reasons prompted the emigration of 56 per cent of the applicants. The reasons mentioned by only 29 per cent were economic difficulties. A reason for leaving Israel, mentioned by 29 per cent, was the lack of work. No Hebrew at all, and the vast majority of the rest had only an elementary knowledge.

The Ministry of Interior intends to table a Bill extending the emergency regulations governing the grant of exit visas. The regulations, which have been renewed every three months, provide that the Minister may refuse an exit visa if the security of the State is endangered. The draft Law merely extends the regulations until the present state of emergency is terminated by the Government.

**Soldier Released To Visit Parents:** An order was issued against Mr. Pinhas Lavon, the Minister of Defense, who was called by the High Court on Monday, when the Government granted a request by Eilahu Yussan, 20, for an exit permit to visit his parents in Persia. Mr. Yussan will be released from the Army.

He had been granted leave without pay for health reasons but had been refused permission to visit his parents during that time.

Court instructed the Government to pay Mr. Yussan's court costs.

Mr. Yussan's appeal against the Government was dismissed.

The Court was composed of Justices Olshan, Agranat, and Landau.

**Copper-Cement Exchange On Haifa-Eilat Run:** JERUSALEM, Monday — The 300-ton Greek vessel, S. S. Davakif, which brought 300 tons of cement here from Haifa last night, is to return to Haifa shortly with a similar quantity of copper ore from the nearby mines for testing in West Europe.

Transport of cement from Haifa to Eilat is much cheaper by sea than by road, and the Zim company, which chartered the ship, is planning to send two or three vessels a month on this route, it is learned here.

The vessel passed the Port Said inspection without incident. Sailors reported that they saw signs of Egyptian guards on the islands at the entrance to the Gulf of Akaba.

Local stevedores, under the direction of a Jaffa Port expert, began unloading the ship immediately after her arrival.

**Income Tax Revenue Considered Satisfactory:** Income tax collections were \$1.6m. during April, as against an estimated \$1.575m. for the month. Treasury sources point out that the figures are satisfactory, as last year only \$1.3m. was collected against an expected \$1.5m. for the same month.

It was also learned that Treasury letters of authorization, against which bank credits for Development Budget loans are granted, have been in line with Government policy and will total only about \$1.5m. by next month.

The news was received with regret in commercial circles in Tel Aviv as he had acquired the reputation of being a person "to whom one can talk."

**THE SECOND REGISTRATION** for the Army Reserve Military Academy in Haifa has begun and will continue until June 18. The purpose of the Academy is to give Army cadets a general education, and training for military life.

# Victory Against Locusts in Sight

BEERSHEVA, Monday — The campaign against the locusts will be brought to a successful conclusion within the next few days, unless new swarms arrive from the South, Dr. I. Peretz, of the Plant Protection Department of the Ministry of Agriculture, said here today.

The infested area is now covered with millions of dead locusts.

**Schreiber Claims Police Beat Him:** Several gloves and a maul found in a milk can near the Italian Hospital in Jerusalem were identified in the Jerusalem Magistrate's Court yesterday as having been in the possession of Isak Schreiber.

Schreiber, together with his brother, was charged with having stolen \$1,500 from the Kupat Milve Vahachem in Jerusalem on April 7.

The identification was carried out with the aid of a police dog. The can also contained pistols and hand-grenades. \$1,300, allegedly part of the stolen money, was found nearby.

The Assistant District Police Superintendent, Mr. H. Alf, testified yesterday that Nathan Schreiber had confessed to the robbery shortly after being told that the hidden articles had been found. On being questioned in the morning, the defendant claimed that the confession had been made under duress and that he had been beaten during police questioning.

**DURING THE ANNUAL** Hermann Struck Prize distribution by the Haifa Municipality last week, the work of Mr. David Wittmann, Haifa architect, received an award of special commendation.

**Students Squabble Over Voting Rights for Hebrew University:** The evening session of the annual meeting of the Hebrew University Students' Union was opened late last night in uproar over the number of delegates to be allotted to the various faculties of the University.

The Students' Union produced a document from the University authorities which stated that there are 10,000 students in the various faculties of the University, thus entitling the Branch to 10 delegates as against the 30 allotted. It was claimed, however, that the number of students in the various faculties was not 10,000 but 15,000.

The question was put to the vote, and the claim of the Jerusalemites was approved. The Tel Aviv and Haifa delegations abstained. A total of 52 resolutions and 172 amendments were tabled, and voting was expected to start at midnight.

The morning session was devoted mainly to discussion of the recent and proposed increases in tuition fees and what the student body of the Government University should do to support higher education.

There was also some positive reaction to the proposed Sunday night by Mr. Elihu

# Local Mute Saw Neighbour Killed

TEL AVIV, Monday — The dramatic evidence of a dead mute witness highlighted today's proceedings in the Tel Aviv District Court in the trial of two brothers from Jaffa charged with murdering their room-mate, Zaki, 40, and Kemal Habab, 45, professional beggars, who were charged with the murder of Abu Deas, a fellow beggar, at No. 6 Rehov 169, Jaffa, on July 24, 1953.

The witness, Hani Haliat, testified that, during the night of the murder, Abu Deas returned home at 1 a.m., after which a quarrel broke out among the three men and lasted throughout the night.

At 5 a.m., the witness said, he saw Kemal hit Abu Deas on the head with a plank and leave the room. More than an hour later he saw Zaki hit the victim with a chair and also leave.

At seven in the morning he saw the victim lying on the floor bespattered with blood. The witness then summoned neighbours to inform the police.

In the meantime, Abu Deas had died.

**12 Cavalry Officers To Face Cairo Court:** CAIRO, Monday (UP) — Egypt announced today that the 12 cavalry officers arrested last month would be tried on charges of attempting a coup d'etat against the regime of Colonel Abdul Nasser.

The officers belonged to a group originally headed by Major Kamel Mohi e-Din which had been responsible for foiling Colonel Abdul Nasser's first coup and bringing General Nagib back to power. They were arrested as soon as Colonel Abdul Nasser regained the upper hand and were accused of conspiring with leaders of the outlawed parties and Communists. One of them has since escaped.

**Cables in Brief:** VISA'S — Iraq and Pakistan have abolished visa requirements for their respective citizens.

MAU MAU — British East African Headquarters announced yesterday that 124 alleged Mau Mau terrorists had been killed last week. One British and four African soldiers as well as one European and 23 African civilians were killed by the terrorists during the same period.

CONFISCATED — The Jordan Government has confiscated the latest issue of the Cairo Moslem Brotherhood weekly — the first to be published since the ban on the Brotherhood was lifted this week.

PEACE COUNCIL — The Communist-dominated World Peace Council will open a six-day session in East Berlin today. Representatives from 26 nations will attend the meeting.

AMASSADOR — The former Syrian Education Minister, Munir Ajjal, a well-known Nazi sympathizer, has been appointed Ambassador to France.

Party of the Year, on Flower Day in Haifa, Gan Ha'even, Saturday night, June 5. Details on posters.

**Haifa Shops Must Close for Lunch:** HAIFA, Monday — A by-law compelling shops to close for a midday interval was passed unanimously by the Municipal Council at its weekly session here tonight. Groceries will close from 1:30 p.m. until 4 p.m. and other shops from 1 till 3:30 p.m.

The Municipality voted \$1,500 to be spent on the forthcoming flower festival in the city. Mayor Abba Khoury hoped that income from the festival would be \$15,000, with the profit going to welfare organizations.

Mr. Y. Kishinir (Shapam) proposed restricting the outlay by 25%.

**National Flower Show during the Summer Festival in Haifa:** June 5 until June 6. Details on posters.

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**The True Facts About The Physicians' Salaries**

Following the publication by the Kupat Holim Central Committee in connection with salaries now paid to employed physicians and their claims, we find it necessary to give the correct figures.

The physicians claim that their salaries equal that of the judges. The net salary now received by a physician is from \$1,100 to \$1,200 per month, in the highest grade. The salaries required are from \$1,500 to \$1,800 per month (for the grade of hospital doctor to head of a large hospital).

Not increased, therefore, would be from \$1,100 to \$1,150 per month. If our claims were fully met, the net salary of a physician, including Kupat Holim doctors, would be entitled to an increase of \$1,100 to \$1,150 per month.

All members of the Kupat Holim Central Committee are intended to continue to maintain the same level of salaries.

The accounts as published in the Press by the Kupat Holim Central Committee are false. The accounts of the salaries claimed, represent about 50% of the gross amount of the salaries claimed. The salaries as required, we demand, to cover the needs of the doctor's family, for luxuries, for the education of his children, for the cost of capital and civil cases are considered normal. Do not suppose, who are opposed at the back and call of justice in physical distress, that we demand the same compensation as judges.

General Committee of the Medical Association of Israel

# Supreme Court Orders States To Cancel Discrimination

WASHINGTON, Monday (Reuter). — The U.S. Supreme Court today ordered several State Courts to reconsider their judgments "in the light" of its recent ruling that racial segregation in public schools is unconstitutional.

The ruling applies directly only to elementary and high schools, but it was generally believed that the Supreme Court would extend it to all schools supported with public funds.

The Florida Supreme Court today was charged to reconsider its refusal to order the admittance of a Negro to performance presented in an amphitheatre owned by the city of Louisville, Kentucky. A third order told the Circuit Court in New Orleans to reconsider a case involving the admission of a Negro to Louisiana State University.

The Supreme Court also allowed to stand a decision that the city of Houston, Texas, must permit Negroes to use municipal golf courses.

The Supreme Court rejected an appeal by the Housing Authority of San Francisco seeking approval of a segregation policy in public low-rent housing projects.

**Talmadge Defiant On Segregation Ban:** ATLANTA, Monday (Reuter). — Governor Herman Talmadge of Georgia, stated here yesterday that even U.S. troops could not enforce the Supreme Court ban on segregation of white and Negro school children in Georgia.

In a recorded radio interview he said, "It would take several divisions of troops down here to police every school building in Georgia and then they would not be able to enforce it. We are going to do whatever is necessary in Georgia to keep white children in white schools and colored children in colored schools."

**Only Piano Recital ZADEL SKOLOVSKY TEL AVIV:** Wednesday, June 2, 9 p.m. "Onel Shem" Hall.

Programme: Organ Toccata — Bach; Duets: Variations on "The Knesset and the British Parliament" — on Thursday, May 27, 1954, at the Hadassah Club, 80 Rehov Hayarzon, Tel Aviv, 8:30 p.m. sharp, followed by a vocal recital by MISS RUTH COOPER, L.R.A.M.

Members and friends are invited

**TO SUBSCRIBERS AND READERS OF "BETEREM"** Because of serious financial difficulties, "Beterem" has not appeared since April 15. Its publication will be resumed on June 17.

As from that date the paper will appear on Thursday every fortnight, and on the 1st and 15th of each month.

"Beterem" Management

**TOURISTS! ASK FOR YOUR FREE COPY OF LATAYAR** ISRAELI TOURIST FORTNIGHTLY at all Government Tourist Information Offices, Tourist Hotels, institutions, etc.

**The Israel and British Commonwealth Association** Mr. M. Rossetti, Secretary to the Knesset, on "The Knesset and the British Parliament" on Thursday, May 27, 1954, at the Hadassah Club, 80 Rehov Hayarzon, Tel Aviv, 8:30 p.m. sharp, followed by a vocal recital by MISS RUTH COOPER, L.R.A.M.

Members and friends are invited

**Travel? CALL ON DAKA SERVICE LTD (J.BANA B.LUFT)** FOR EXPERT ADVICE

**The Anti-Tuberculosis League** Tel Aviv Branch is organizing for May 30, 1954 a Children's Fashion Show at the Ramat Aviv Hotel, with the kind participation of the Ministry of Health, Tel Aviv. Shows from 11 a.m. to 1 p.m. at Ramat Aviv Hotel.

An artistic programme will be presented at 5:30 p.m. by a children's troupe directed by Mrs. Shoshana Ornstein.

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**THE SECOND REGISTRATION** for the Army Reserve Military Academy in Haifa has begun and will continue until June 18. The purpose of the Academy is to give Army cadets a general education, and training for military life.

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Germany is now the third largest producer of motor cars in the world. Output is currently running at a level 80 per cent above the 1928 figure. Last year's exports reached \$300m. and are still rising. A "Volkswagen" assembly plant has been opened in Berlin. Other car plants are also to be built in Australia, Brazil and India.

● Tunes oilmen hope to exploit the oil deposits in British Guiana, and are ready to set up a refinery in the British South American Company (B.S.A.C.) territory, which is rich in oil. The British Administration here fears that the entry of a foreign oil company into the setting up a refinery—to operate in the first instance on crude oil imported from the United States—will seriously drain on the sterling area's dollar pool. The problem has been referred to lack of demand.

● The first manufacturing plant for staple rayon fibre has been built in India by the Birla Brothers group. The capital involved is \$22m.

● Oil tankers now constitute 28.2 per cent of the world's merchant fleet, compared with 10.6 per cent in 1928 and 18.9 in 1939. The world's merchant fleet has grown by about one-third since 1928.

● An internal loan of 500 million drachmas (\$25m.) will be issued in Greece with a dollar interest of 5 per cent and a real interest of five per cent and repayment will be made within seven years. Bondholders may however convert the bonds at a rate of 50 per cent of the nominal value of the bonds. At the same time the present 100 million drachma bonds are new ones on the basis of one "new drachma" for one thousand

- The Turkish Government, has granted a geological exploration permit to American Overseas Petroleum Ltd., a subsidiary of Standard Oil of California and the Texas Company. Turkey denationalized her petroleum resources in March, 1933.
- British steel production reached a new record in March at an annual rate of almost 19m. tons. Actual steel output may reach 20m. tons in 1934, compared with 18m. in 1933 and 16m. in 1932. At the same time, all other important steel-producing countries outside the Soviet bloc were producing at their capacity and are now working below capacity.
- The Turkish Government has granted a geological exploration permit to American Overseas Petroleum Ltd., a subsidiary of Standard Oil of California and the Texas Company. Turkey denationalized her petroleum resources in March, 1933.
- The final dividend of 48 per cent for the ordinary shares of Marks and Spencer makes the total dividend 50 per cent for 1933-34, compared with 49 per cent in the previous year. Earnings were up by £1.5m. to £9.7m. against a £8.5m. in 1931/32.
- The wages of textile workers in the U.S. are three to five times higher than in Europe and 10 to 15 times as high as in Japan and India, according to a survey recently published in "Textile's Textile Reporter." The average hourly wage in American mills is \$1.25 and over.

**THE JERUSALEM**  
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**Exports Go**

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**GERSHON AGRON**

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Inland IL 1.50 per year. Foreign IL 2.40 per year.

**THE 1953/54 citrus season** ended with an export total of 1,130,000 crates, as against 1952/53 with 5,900,000 crates in 1952/53. The main quantities were sent to the following countries:

Britain	1,075,000 crates
Spain	250,000
Sweden	240,000
Netherlands	210,000
Norway	180,000
Belgium	200,000
France	150,000
Finland	115,000
Germany	231,000
Switzerland	100,000
Austria	135,000
Poland	200,000

Out of the 2.5 million crates

Tuesday, May 15, 1956  
Iyar 22, 5714. — Ramadan 22, 1375

## W

hile both the Ordinary and the Development budgets have been subject to public comment and lively discussion, little attention has been paid so far to the foreign currency budget, though in many respects it is the most vital. This complacency has been fostered by the conspicuous success of the Consolidation Loan which relieved the Treasury of the onerous pressure of short-time debts and thus enabled it, for the first time to operate these accounts in an orderly manner and according to a pre-conceived plan.

## FOREIGN CURRENCY BUDGET

AMONG the bodies catering for the would-be investors in Israel and providing long-term dollar credits to Israel's economy, Ampal has a leading position. In the 12 years of its existence, this company and its subsidiaries have placed with the Jewish public in the United States and Canada securities to the tune of \$250,000,000. Its assets have reached \$100m., of which more than half (\$55m.) were loans to the Israel Government, and the company is active in importing and exporting agencies. At the end of January, 1964, the main company's balance sheet totalled \$123m., against \$36m. by the end of January, 1953, but the total capital resources and credit facilities of the concern were \$123m. compared with \$37m. a year ago.

## 4% Debentures

Ampal's share capital has no change in the past four years and stands at \$5.66m. the main

Nor did the spectacular rise of the foreign currency assets of the Issuance Department to over \$43m., i.e., almost 30 per cent of the total currency in circulation, fail to impress the public as evidence that at long last we are out of the woods and that the Israel Fund is getting adequate

It is necessary therefore to stress again that these outward appearances in no way alter the basic grim fact of our economic unbalance. Nor should they conceal from us the fact that this is working against us in the long run. For though the development of domestic resources is helping us to forgo foreign aid, the progress towards a self-sustained economy can hardly be rapid enough to catch up with the dwindling of foreign resources in the immediate future.

The foreign currency gap was one-third smaller in 1953 than in 1951. This was achieved primarily by sharp cuts in the import of investment goods. The government was over \$35m.) and because of the lower level of world market prices. Both of these factors cannot, however, be relied upon for the future. Neither can the net earnings of export be expanded by more than two or three million dollars annually at best.

Further progress in closing the gap will, therefore, depend upon the higher output of our agriculture and industry and upon the strictest avoidance of all unessential foreign currency expenditures. That this course is not only self-evident to the responsible authorities has been revealed, for example, by the recently announced plan to sponsor the large-scale expansion of poultry raising. And should it be true that some authorities are having second thoughts in this respect, this would be a clear-cut and comprehensive policy in this field has not yet been evolved.

## Arab League River Scheme

On the occasion of Mr. Eric Johnston's preparations for a second visit to the Middle East, on which he proposes to state certain modifications of his original Jordan Valley Irrigation project, the Arab League's experts met in Cairo last week to publish a summary of the Arab counter project.

This alternative scheme has been drafted by the representatives of Jordan, Syria, the Lebanon and Egypt under the chairmanship of Major Mahmud Riad, in command of the Palestine Arab Legion, the Egyptian army headquarters. It is claimed to be the fruit of practical on-the-spot study. The scheme was approved by the last Arab League conference after technical alterations. It is to be submitted to Mr. Johnston.

The Arab committee recommends that the Yarmuk waters be divided equally between itself and not in the Kinnet, as in Johnston's project, and that hydro-electric power be derived from it for the benefit of the Arab countries in accordance with the agreement reached between the two countries last year.

The following reasons are given for this modification of the Johnston plan: a) The storing of Yarmuk waters in metres per year, while the evaporation of the Yarmuk waters does not exceed 15 million cubic metres per year; d) The storage of the Yarmuk waters in the Kinnet would cause a loss of some two metres in the level of the lake, which would seriously threaten the Holy Places spread around the shores of the lake.

The Arab Proposal

Therefore, the committee recommends:

- a) The building of a dam on the Yarmuk near Wadi Khaleid or Mukarnat to store 400 million cubic metres for use for irrigation purposes and for hydro-electric power;
- b) the building of a second dam at Adzassiah for the same purpose with a capacity of 100 million cubic metres. In this way, the committee believes that Jordan and Syria could obtain 420 million cubic metres of water which would yield 90 million and Jordan 230 million;
- c) the building of a dam to store the waters of the Hasbani River in Lebanon for hydro-electric purposes and for the irrigation of some 35,000 dunams of Lebanese land. (The Johnston project did not provide any credit to the Lebanon in irrigation or power);
- d) The building of a channel on the Hasbani River to irrigate Syrian lands or both sides;
- e) The storage of the remaining Banias waters and those of the Dan and Hasbani in a channel in the Hasbani valley, the Lake Huleh into the Jordan tal, an sufficient quantities from these waters to irrigate 75,000 dunams in the Huleh and 20,000 dunams in the Mishma Hayarden area in Israel. The surplus waters should be stored in Lake Tiberias and be divided between Israel and Jordan for the irrigation of the Eastern and Western Ghor valley and the Yarmuk "triangle" in Israel.

The division would thus be: 400 million for Lebanon, 35,000 dunams under irrigation. Syria 119,000 dunams, Israel, 294,000 dunams; Jordan, 490,000 dunams. The Johnston scheme gave Israel 440,000 dunams more. In conclusion, the Arab report points out the importance of close supervision of the Jordan waters running into the Hasbani River to ensure that the Jews do not take quantities exceeding their quota. The scheme recommends that the U.N. Truce Supervision Commission in Jerusalem take over the responsibility for this supervision.

## Wine Industry's Clouded Future

of the farinaria (fish) tanks in the lake; e) The damage caused by the evaporation of the Kinneret waters has been estimated at 300 million cubic

**BEHIND** the controversy about a new Tnuva winery, construction of which would have to start this year to be completed in 1967, the 1967 season, there looms the larger issue of the future of the Israeli wine industry. While experts are unanimous in rejecting the Tnuva proposal for the moment, opinions differ with regard to

future prospects of local production.

Output of wine reached a high of almost 7.5 million litres in 1961. The alcohol content of our wine is low, and the spirits to be distilled from the grapes yielded 2.5 million litres. The domestic consumption of wine never exceeded 5m. litres and only 3.2m. litres of other spirits were sold, as shown by the following figures:

Year	Wine		Other spirits	
	Production 1000 litres	Consumption 1000 litres	Production 1000 litres alcohol	Consumption 1000 litres alcohol
1920	6,581	5,900	1,541	2,500
1921	3,970	5,900	2,119	2,900
1922	4,500	5,900	2,119	2,900
1923	4,435	4,964	2,684	2,900
1924 (estm.)	4,000	4,000	2,100	2,100

Exports of wine and spirits were negligible. They averaged about 200,000 litres in 1948-52 and dropped to one-half of that in 1953-54. No wonder the stocks for more than a year — eight million litres — had accumulated in the wineries by the end of 1950. It was hoped that these stocks may decline to

## Financial Activity

Company	Subscribed capital	Investments
American Israel Petroleum Corporation	\$1,200,000	\$620,500
Israel Maritime Company	\$ 600,000	\$304,000
Israel Fibreboard Products Corporation	\$ 350,000	\$320,000

Kinneret	\$ 50,000	\$ 50,000
<p>American Israel Petroleum participated with 31 per cent in the share capital of Dead Sea Soda (\$250,000) and with 20 per cent in the Lapidot Company (\$250,000), which commenced drilling for oil in the Dead Sea area. It is also planning to participate in the proposed pipe-line for carrying re-refined oil from the Haifa refinery to Tel Aviv. The Israel Fibreboard Products holds 49 per cent of the Sefen plant which is to start production this year. While Kinneret is participating in the Tarit canneries at Eilat.</p> <p>Two more companies — Israel Hotels and Negev Glasworks — which had placed shares to the public — are now being marketed.</p>		
Credits granted to	End of January 1955	1956 1954
Government of Israel	5,140	9,705
Jewish Agency—Keren Kayemet	1,857	3,267
Swiss Agency—Keren Kayemet	1,281	1,601
National Committee for Labor Israel (for constructive investments)	4,710	489
Workshop for the Blind—Keren HaShalom, Tel Aviv	1,501	2,175
Solel Boneh, Zurich, Haasbrother, Shlitzon, etc.	1,501	2,175
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Workshop for the Blind—Keren HaShalom, Tel Aviv	1,501	2,175
Solel Boneh, Zurich, Haasbrother, Shlitzon, etc.	1,501	2

The chief beneficiaries of the increased credit facilities were the Israel Government (by \$1.1m.) and the Jewish Agency (\$0.8m.), while the credits to the Ministry of Defense and the railways remained at their previous level (altogether about \$7.7m.). To this, however, should be added \$1.2m. granted by the Government to this sector by the subsidiary companies. The total sum of loans granted to Sefen was \$10.5m. The Zim fertilizers and Chemicals \$0.75m. — all of these for 10 years and to Lapidot \$2.5m. for 15 years. In addition, Amer was actively establishing a \$2m. credit line for the Deslek Company for crude oil purchases.

The turnover of the Israel Fertilizing Agency reached \$14.5m. in 1950-1951, but declined to \$8m. in 1953. Exports of Is-

to \$995.70 last year, of which \$338,000 were polished diamonds and the balance Shemen products.

Income earned was \$772,000 last year (against \$485,000 in 1952), of which interest was \$661,000 (\$399,000), dividends \$100,000 (\$100,000), \$8,000 (\$12,000) and commissions \$106,000 (\$74,000). The net operating income was \$575,000 (\$345,000) less \$100,000 left after provision for Federal income tax and amortization of the debenture selling expenses.

\$400,000 was transferred to reserve, bringing it to \$467,000. The dividend on the preferred stock was increased from four to five per cent to \$158,000. Dividends were also paid by the American Israel Petroleum (five per cent) and by the Israel Maritime Co. (four per cent).

wine adapted to the popular taste and may reverse the declining consumption, but not to a great extent, as long as the present price level remains unchanged. Of considerable help will also be the substitution of local grapes for imported currants in the production of brandies. A even if we take into account the high prices and of excise rates that will still be the necessity finding foreign markets for our production.

Here opinions differ widely. The memorandum prepared by

**BARCLAY DOMINION, COLO**

## Readers' Letters

**WATER RESOURCES**  
Editor, The Jerusalem Post

Sir, — With reference to the headline on irrigation in your issue of May 4, I should like to say that no one is capable of giving an accurate estimate of what the sustaining yield of Israel's underground water resources is now, or will be in 1960. To claim that the water can be expanded is somewhat hazardous in the light of the recent drillings at Beerseba, Dvora, Rosh Hanikra, etc.

Their estimates of projected future water demand only to learn that the "dreamers" of yesterday are the realists of today.

The problem of financial feasibility is stated incorrectly. It should read, "Are the people of Israel willing to pay for the consumer goods in order to finance irrigation schemes on which their future livelihood depends?"

AND a delay of any construction is bound to slow down development of the country.

Yours, etc.,  
HAROLD ROSS

The Bank will henceforth operate after the **DAILY** (except Fridays and the eve of holidays).

Except for the **TEL. AVIV: JERUSALEM: 65**  
**HAIFA: 65**  
**NETANYAHU:**

Remember Sir John Hope  
Simpson's dire warnings in 1930  
and the attitude of the Manda-  
tory Government: these reanimat-

tic views were disproven by the facts. As a man associated with water planning in Israel, it has been my experience that consumers as well as men of finance consistently ridicule the "fantasy

## THE WEEK ON THE STOCK EXCHANGE

**Tel Aviv**

After some fluctuations, the week closed again in a very hesitant and rather dull mood. On balance, however, some slight improvements could be recorded.

A noteworthy development was the rise in the price of ELECTRIC shares, London Register, after a cheerful start. This was due to newspaper reports that the company's shareholders which was deemed less favourable than previous prophecies. However, as the deterioration of the situation was weakening of the quotation may prove only temporary. The main change during the week were as follows:

**MAH SHITREH BRICK, A.S.** and AFA remained steady almost no change.

**London**

Though this time the rate was made effective for a week, compelling the market to pay attention to the modest amounts) at the exchange, the impact on the market was almost negligible. This was due to the fact that the change of bank rate was only a temporary measure. The market in the past. Each time advanced but, upon defeat, hopes, did not quite fall. The market continued very

**TAVEL DOLLAR** closed 10 points higher than last week at **112.1361**. **BANK LEUMI** shares 3 points higher at 363 per cent, while **PAL POTASH** preference shares lost 40 points to 100. **PALESTINE** shares unchanged. **PALESTINE ELECTRIC** shares, London Register, dropped by 12 points to 570 per cent, the Israel Register was up 10 points to 570 per cent, and **JERUSALEM ELECTRIC** shares eased 5 points to 388 per cent. **YERUSHA**'s debentures were unchanged at 100. **YERUSHA** were **KURDANEH** shares and **PAL COLD STORAGE** debentures, while **MILVE MILHA** shares were unchanged at 100.

## led Future

**Commodities**

While grain markets were ed, cocoa prices reached highs at the end of the year. Wheat was the most continued comparatively steady around \$725. At mid-week, "Financial Times" Index of active world commodity prices to 94.80 compared with

Wine to Russia during the course of several years, we have developed to reach quite considerable prices and at a higher selling position than today. The following series of recommendations for increasing efficiency, cutting costs and improving the quality of the wines are the result of the experience of the winegrowers of the Caucasus and Zikhron cellars. The first attempt to market wine in the U.S. is a novel way — by keeping up the brand of the wine, the grade of bottling and packaging — has been made by the Carmel Wine Co. established jointly by the Palestine Economic Corporation and the Wine Growers' Cooperative Society. Altogether, 19,000 crates of wine and 2,000 crates of brandy were exported but no information has yet been received on the results, yet.

In any case, the wine industry faces a long period of hard struggle and will have to keep close watch both on the quality of its products and on costs, refraining from any expenditure which is not vital. It is against this background that the proposed establishment of another winery in Rehovot has met with criticism. The present two co-operative wineries through which are somewhat old-fashioned and in need of modernisation, operate quite satisfactorily under efficient management and are at present not yet utilised to full capacity. Together with some smaller plants, they can produce about 12m. litres of wine a year and 18m. litres, which is the amount required for the country, but which may prove insufficient in 1967.

**Additional Plant**

Tauva, therefore, proposes to build a new winery with a capacity of 7m. litres, and with a storage capacity of 8.7m. The proposed investment amounts to £130,000. (and \$164,000) one half of which will be provided by a Government loan. Mr. Gasa, however, considers this investment premature, while Mr. Fromm maintains that large additional investment, that is, more than a little could take care of more grapes at existing wineries. "It would be an economic fallacy," he emphatically declares, "to build a new winery to take care of future large crops."

than One Year Investments at Cost

Insurance Policy \$12,500.00  
Less Reserve 10,500.00

Office Equipment (New York and Tel Aviv offices), Less Depreciation  
Deposits and Prepaid Expenses

**TOTAL ASSETS**

**LIABILITIES, CAPITAL AND SURPLUS:**

**Liabilities:**  
Notes Payable  
Accounts Payable  
Redemption of 3% 4% Series "A" and 4% Series "B" Debentures  
Less Corresponding Deben-

The main reason for the building of a separate winery seems to be the wish of the new growers to be independent of the present producers. The existing wineries are controlled by closed circles of old-time grape growers or by private owners and enjoy a quasi-monopoly which will be enhanced as the crops continue to increase. That apprehension may not be out of place in this respect and is quite understandable. But it should be possible to overcome this objection without incurring large unnecessary expenses from the economic angle.

**Y S BANK**  
**IAL AND OVERSEAS)**

**CE HOURS**

ng hours, all branches of  
rth also be open in the  
as follows:

from 4 p.m. to 5 p.m.

**Bank's offices at**

Albany Road:  
 Roth Man'smatt  
 Albany Square  
 business as heretofore.

BANK  
 (L AND OVERSEAS)

In the Eleventh Annual Report for the respective sinking the total up to \$27,250,000 the current year, the total were conservative and without deductions has been adopted as deductions from the

Part of the Hotel Payable

Paid in February 1928-1929, \$1,000,000 preferred stock arrears before dividends. The Corporation is in credit established by its subsidiaries of \$2,000,000 and by promissory notes of the 1929 is also contingently held on

**Tel Aviv Stock Market**

[illegible]

**ED. KATZ & Co. Ltd.**  
★  
**Cost Accountants**  
**SINCE 1927**

★  
**PLANNING AND AUDIT**  
of calculations of  
manufactured goods  
with participation of  
experts from abroad.  
●  
*Office:*  
**34 Rehov Yavna, Tel Aviv**  
**Tel. 3402**

**N. ZUCKER**  
37 Ha'atzmaut Road, Haifa,  
Tel. 67135, Residence Tel. 66006

- INVESTMENTS
- SECURITIES
- LOANS
- FINANCIAL  
ADVICE

**HAIFA FINANCE &  
INVESTMENT Co. Ltd.**

**ISRAEL CORPORATION**  
**DENSED BALANCE SHEET**

January 31, 1964	January 31, 1965
\$ 3,002,911.94	\$ 3,945,797.97
12,001,400.58	1,494,304.12
795,597.00	10,397,002.00
7,894,397.00	904,961.00
1,168,782.80	7,945,237.79
	1,620,730.70
\$ 9,300.00	
\$ 3,300.00	
11,508.84	11,380.01
494,442.17	495,197.91
\$55,678,997.71*	\$55,597,718.18*
\$ 4,000,770.71**	\$ 3,971,898.32**
	1,413,348.56
1,003,368.00	1,003,368.00
(1,003,368.00)	(998,750.00)
1,000,000.73	4,015,194.80
64,991.87	90,884.70
179,390.35	154,340.84
387,104.30	120,765.37
191,949.82**	120,000.00
\$ 9,900,000.00	
	3,762,000.00
8,932,000.00	6,597,000.00
\$ 8,818,000.00	
	597,000.00
	4,920,000.00
6,140,821.55	72,597.01
\$21,320,452.63	\$ 8,004,327.01
1,367,381.74	\$50,604,494.39
	1,163,810.20
\$ 9,300.00	\$ 9,300.00
\$200,000.00	\$200,000.00
464,970.00	464,970.00
\$ 3,684,130.00	\$ 3,684,130.00
	734,970.00
	380,661.37
\$ 407,568.34	\$ 578,388.30
\$55,678,997.71	\$55,597,718.18

If a similar procedure were followed in the future, it would be fair and equitable. However, the trust's debtors held no future interest in the assets and there are no outstanding issues.

The company was secured by Notes Receivable. The notes were except for declared arrears dividends will be entitled to all dividends declared on the common stock.

The company has its guarantee of letters of credit from the State of Israel. In the event of default in the sum of \$100,000, the company will be liable to the State of Israel. The Corporation has a guarantee of a \$5,000,000 loan.